

RIDGEFIELD SCHOOL DISTRICT NO. 122
Clark County, Washington
September 1, 1991 Through August 31, 1993

Schedule Of Findings

1. The District Should Improve Employee Contract Administration And Keep Documents Verifying That Services Paid For Were Actually Performed

Our tests of the district's compliance with state laws regarding employee supplemental contracts and other compensation, indicate a number of problems exist in contract administration and payroll system controls. The district's 64 certificated employees had 87 supplemental contracts, totaling at least \$61,038 during the 1993 school year. For the 5 employees we tested, covering both 1993 and 1992, we examined 26 supplemental contracts and other employee payments which disclosed the following problems:

<u>Certificated Staff</u>	<u>Basic Contract Days</u>	<u>Basic Contract Payments</u>	<u>Suppl. Contract Payments</u>	<u>Other Contract Payments</u>	<u>Non-contract Payments</u>	<u>Total Payments</u>
<u>1992 School Year</u>						
Teacher-Acct/Computer	182	\$45,829	\$3,374 (C)(A)	\$252 (B)(D)		\$49,455
Teacher/Horticul/Ag Mec	182	30,831	5,391 (C)(A)	169 (B)(D)	\$ 299	36,690
Teacher/MS/Sci/Math	182	28,985	2,829 (C)	159 (B)(D)	(478)	31,495
Principal/Elementary	209	48,994	1,430 (C)(A)			50,424
<u>1993 School Year</u>						
Teacher-Acct/Computer	182	\$47,211	\$3,474 (C)(A)	\$259 (B)(D)	\$70	\$51,014
Teacher/Horticul/Ag Mec	182	32,472	5,709 (C)(A)	179 (B)(D)	75	38,435
Teacher/MS/Sci/Math	182	36,266	1,980 (C)	199 (B)(D)	25	38,470
Principal/Elementary	209	51,454	2,250 (C)(A)			53,704
Teacher MS English	182	21,425	2,608 (C)(D)	318 (B)(D)	80	24,431

- (A) Supplemental Contracts Not Specific - Supplemental contracts requiring payment for extra days or duties were not specific enough for performance to be measurable.
- (B) Other Contracts Inadequate - Documents used to contract for additional certificated employee services paid for by the district were not sufficient. These forms were actually a record of the services paid for by the district.
- (C) No Documentation - Supplemental contract for additional time or duties. The district did not provide documentation proving the additional services were actually performed.
- (D) Documentation Not Adequate - Documents retained as evidence the service was performed were not adequate because they lack supervisory approval.

RCW 28A.405.210 states:

No teacher, principal, supervisor, superintendent, or other certificated employee, holding a position as such with a school district . . . shall be employed except by written order of a majority of the directors of the district at a regular or special meeting thereof (Emphasis ours.)

Regarding backup documentation to verify the additional services were actually performed, RCW 43.09.200 states:

The state auditor . . . shall formulate, prescribe and install a system of accounting and reporting . . . The accounts shall show . . . all receipts, vouchers, and other documents . . . necessary to isolate and prove the validity of every transaction (Emphasis ours.)

State law addresses supplemental contracts and is covered in RCW 28A.400.200(A), which states:

Salaries and benefits for certificated instructional staff may exceed the limitations in subsection (3) of this section only by separate contract for additional time, additional responsibilities or incentives. (Emphasis ours.)

Additional pay from supplemental contracts cannot be considered bonuses. Supplemental contracts must be specifically for additional time, responsibilities, or incentives. Some of the supplemental contracts were simply entitled ". . . Extended Day . . ." with no clear description of the additional duties or responsibilities. Further, the district's payroll department routinely pays supplemental contracts based on the contract language without evidence documenting that the work was actually performed. This is considered a weakness in the contract and payroll systems and could result in compensation being paid without services provided.

We recommend the district improve contract administration and payroll systems over certificated employees as follows:

- a. Employ certificated employees for additional time or effort only by separate, individual written supplemental contracts.
- b. Specifically identify what additional services are required by the supplemental contracts so that performance can be measured.
- c. Pay only the amount covered by employee contracts, based on documentation that the services were actually performed.

2. The District Should Report Staff Mix Data Correctly And Maintain Adequate Documentation To Support The Reports

School districts are required to annually report to the State Superintendent of Public Instruction (SPI), the academic credits and years of experience of its certificated staff. SPI uses this information in its determination of the amount of school apportionment funds due the district.

To ensure that amounts reported are accurate, WAC 392-121-280 requires in part:

School district shall have documentation on file and available for review which substantiates each certificated employee's placement on LEAP Document 1.

(1) Districts shall document the date of awarding or conferring of the degree. Documentation shall include date upon which the degree was awarded or conferred as recorded on the diploma or official transcript . . .

(3) Districts shall document years of experience that are eligible for application on the state-wide salary allocation schedule and on LEAP Document 1. Documentation for years of experience shall be on letters or any other documents that provides evidence of employment including dates of employment.

To test the accuracy of the academic credits and experience reported to SPI, we reviewed 6 certificated employee files from a total of 62 files. We found errors in the information reported for all 6 employees tested. In all cases, credits and/or experience reported did not agree with amounts reported. When the district submits erroneous staff mix reports to SPI, the district's apportionment may be incorrect.

A number of errors occurred because district payroll policy allows credit for some educational courses and work experience, which should not be included in the SPI report. The personnel department inadvertently included the incorrect information in its SPI report. Other errors resulted from inadequate verification of employee files and review of the SPI report.

We recommend district officials review certificated employee personnel files and obtain any needed documentation to verify and support staff credits earned and years of experience claimed. We also recommend that the SPI reports be carefully reviewed for accuracy before submission.

District officials indicate they have reviewed and corrected all effected certificated personnel files and notified SPI of the necessary report corrections. We will review these corrections during our next audit.